
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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School Property Tax Control Board Meeting Minutes June 17, 2004

The monthly meeting of the School Property Tax Control Board was held on June 17, 2004. The meeting was held in the Indiana Government Center South, Conference Center Room 2, 302 West Washington Street, Indianapolis, IN 46204. Present for the meeting was Patty Bond, Carlyn Johnson, Joe Bronnert, Linda Lessaris and Teresa Hemmerle, Administrative Officer.

Minutes and Discussion: May meeting minutes.

MSD Martinsville, Morgan County: Officials requested approval of a pension bond for \$7.8 million. The term of the bonds is 12 years with a tax rate impact of \$0.0655. Tax neutrality will be made using the capital project fund.

This issue eliminates the un-funded liability. School officials have an agreement with Martinsville School employees to terminate the current defined benefit retirement severance program with a buyout program based on actuarial calculations.

Present for the hearing was Dr. Ron Furniss, Superintendent; Randy Taylor, Assistant Superintendent; Nate Day and Tom Grabill, Educational Services and Jim Shanahan and Jane Herndon, Ice Miller.

Comments: The Assistant Superintendent spoke about the proposed pension bond issue. The passage of Senate Enrolled Act 1 authorized school corporations to issue bonds to solve the problem of unfunded pension liabilities. School officials hired a firm to complete an actuarial study. A contract has been negotiated with teachers and approved by the school board.

Ms. Lessaris asked if the Capital Projects fund is currently at the maximum allowable tax rate. School officials replied yes. Ms. Lessaris noted the needed levy for repayment of the pension bond is a third of the current Capital Projects fund levy. She asked if they plan to leave the neutrality with the Capital Projects fund. The Assistant Superintendent said a facilities study was done to determine priority needs. Those priorities can be funded from the reduced Capital Projects fund, while renovation needs would be funded through debt service.

Motion: Johnson made a motion to approve a pension bond issue in the amount of \$7,800,000. Mr. Bronnert seconded the motion, which favorably carried 4-0.

Taylor Community Schools, Howard County: Officials requested approval of a pension bond issue for \$3,465,000. The pension bond has a term of 12 years with a tax rate impact of \$0.1014. Tax neutrality will be made using the capital project fund.

This issue eliminates the un-funded liability. An agreement has been reached with Taylor School employees to terminate the current deferred benefit retirement severance with a buyout program based on actuarial calculations.

Present for the hearing was Ron Mayes, Superintendent; Nate Day and Tom Grabill, Educational Services and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials were facing a total liability of over \$5 million. They have negotiated a settlement with the teachers' association and they will totally eliminate the unfunded liability. The proposed bond issue is for \$3,465,000.

Ms. Lessaris asked if the Capital Projects fund is currently at the maximum allowable tax rate. School officials replied yes. Ms. Lessaris noted the needed levy for repayment of the pension bond is half of the current Capital Projects fund levy. She asked if they could survive on this in the Capital Projects fund. The Superintendent said yes, they have made a concerted effort to address building needs the past couple of years. Ms. Lessaris asked if they intend to leave the neutrality with the Capital Projects fund and the Superintendent replied yes.

Motion: Ms. Lessaris made a motion to approve a pension bond issue in the amount of \$3,465,000. Mr. Bronnert seconded the motion, which favorably carried 4-0.

Alexandria Community School Corporation, Madison County: Officials requested approval of a pension bond for \$1.5 million. The term of the bonds is 10.25 years with a tax rate impact of \$0.0625. Tax neutrality will be made using the capital project fund.

This issue eliminates a portion of the un-funded liability. The remaining portion will be paid through the general fund. A Master Plan has been devised. The bond issue will be used to pay for the insurance for teachers hired before July 1, 1995.

Present for the hearing was John McFarren, Superintendent; Peggy Jackson, Business Manager; Colette Irwin-Knott and Matt Bubness, HJ Umbaugh and Jane Herndon and Andy Hollenbeck, Ice Miller.

Comments: The Business Manager spoke about the proposed pension bond issue. An actuarial study completed by Educational Services Company found a liability of \$16,838,055. School administrators and teachers worked together to resolve the unfunded liability issue. An agreement was reached with the teachers' association in September 2003. Those hired before July 1, 1995 are covered by a 403(b) and those hired after July 1, 1995 have a 401(a) and VEBA account.

Ms. Lessaris asked what the balance is in the Rainy Day fund. School officials replied \$750,000. Ms. Lessaris asked about the purpose of the Rainy Day fund. School officials replied it is for building renovations, delayed state payments and severance payments. Ms. Lessaris asked if the Rainy Day fund helps make severance payments to those who were hired before July 1, 1995 and the Business Manager responded yes. Ms. Lessaris asked how much insurance premiums cost the school corporation. The Business Manager said \$3,659. Ms. Lessaris asked if officials have considered shifting more responsibility of the premium on the teachers and the Business Manager said yes. Ms. Lessaris asked if they were currently at the maximum tax rate in the Capital Projects fund and school officials replied yes. Ms. Lessaris said the levy needed to pay the pension debt payments is \$200,000 per year, or a third of the current Capital Projects fund levy. She asked if the Capital Projects fund could handle that much of a reduction. School officials replied they have accumulated some funds and have completed two major renovations. They feel they could continue the reduction in the Capital Projects fund over the ten-year term of the pension bonds.

Ms. Bond asked how many buildings comprise the school corporation and school officials replied four. Ms. Bond asked if two buildings were addressed recently and school officials said yes, and they are looking at Thurston Elementary School for a future project.

Mr. Bronnert asked why they are not requesting more when they have the ability to bond for \$6 million. The Business Manager said they are located in a conservative community and felt the school board would not support a larger bond issue. Officials also did not feel they needed that much to solve their unfunded liability problem.

Motion: Mr. Bronnert made a motion to approve a pension bond issue in the amount of \$1,500,000. Ms. Lessaris seconded the motion, which favorably carried 4-0.

Decatur County Community Schools, Decatur County: Officials requested approval of a pension bond for \$3 million. The term of the bond is 20 years with a tax rate impact of \$0.05. Officials will use the capital project fund for tax neutrality.

The issue will eliminate all but payment for sick days and years of service. A Master Plan has been developed covering severance and retirement obligations that ensures, or reasonably ensures, that this does not become an un-funded liability in the future.

Present for the hearing was Robert Cupp, Superintendent; Phil Boley, Assistant Superintendent; Doug Cassman, Educational Services; Lonnie Therber, Therber & Brock and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials are seeking approval of a pension bond in the amount of \$3 million to cover retirement bridge payments. The actuarial study completed by Educational Services Company calculated an unfunded liability of \$7,815,000. Officials have an agreement with teachers to buy out the unfunded liability for \$2.8 million. There were no objections raised at the public hearing to discuss this issue. The payments are projected to be \$250,000 over twenty years with a tax rate impact of \$0.05. The Capital Projects fund is at the maximum tax rate of \$0.18. Officials

anticipate closing on the bond in September and will be selecting a vendor to distribute funds. Officials feel this bond issue will solve their unfunded liability problem.

Mr. Bronnert asked why a term of twenty years for repayment of the pension bonds. The Superintendent said the amount of the bond issue and the impact on the Capital Projects fund affected the decision on the term.

Motion: Ms. Johnson made a motion to approve a pension bond issue in the amount of \$3,000,000. Mr. Bronnert seconded the motion, which favorably carried 4-0.

Sunman Dearborn Community School Corporation, Dearborn County: Officials requested approval of a lease rental agreement with maximum annual lease rental payments of \$3.910,000 for 25 years. Total project costs are \$38,505,000. Tax rate impact is \$0.14 over the 2001 debt service rate plus a planned new facility appeal of \$0.0255. There was no application for a petition and remonstrance. Board vote was 5-2. Common construction wage information was in order.

Present for the hearing was John Roeder, Superintendent; Frank Kramer, School Attorney; Kyle Miller, Architect; Damian Maggos and Kathy Hill, City Securities and Jane Herndon and Andy Hollenbeck, Ice Miller.

Project: The project consists of renovation and additions to East Central High School to enhance the education of current and future students. The project includes the addition of 200,000 gross square feet. Major scope items include: new 1,350-seat auditorium and performing arts support rooms for band, choral, etc. new three court activity center and weight room, locker rooms, wrestling room and other support areas; new two story classroom addition to house the Science and Art Departments and provide a new guidance/administration area; expansion of the Voc-Ag and Industrial Technology areas; minor and major renovations for fire protection, mechanical, technical and electrical systems; site improvements such as a new entry, improved traffic patterns, drainage and utility improvements, and other minor changes.

Comments: The Superintendent spoke about the project. The school corporation has sustained continual growth the past sixteen years. A facility study was completed in January 2000. It projected growth of 1.25% through 2008 and facilities are already overcrowded. Phase I of the project involved the 5th-6th intermediate school and an addition and renovation to an elementary school. A follow up facility study was completed for Phase II and projected out to 2013 to foresee future high school needs. It projected the high school would grow from 1,340 students to 1,700 students by 2013. The community was invited to offer input on seven options after the first facility study. The school board set a maximum debt service tax rate of \$0.80, which was adjusted to \$0.26 after the change to 100% TTV. During meetings held in May 2000, the community was informed this would be a two-phase project. An immediate addition to the high school was requested. Officials decided to address the intermediate school and elementary school to improve capacity at four facilities and the high school would be addressed in phase II. A steering committee was formed with each school board member appointing a member from the township they represented as well as other community members. The steering committee presented three options to the school board for consideration. The school board selected the least

expensive option. The high school project includes the addition of a 1,350-seat auditorium, converting the current auditorium into classrooms, utilize courtyards for additional classrooms and add more parking area. The school board looked at other construction projects across the state and decided to decrease the auditorium from a 1,500 seat, 2-story to 1,350 seat, 1-story auditorium. The 1028 hearing was held February 23, 2004 with over seventy in attendance. All of the 22 speakers spoke in favor of the project. The only negative comment pertained to class size and not the project itself. The school board unanimously approved the lease.

Ms. Lessaris asked if phase I of the project was complete. The Superintendent said yes, a little ahead of schedule. Ms. Lessaris asked phase I debt payments currently being made and the Superintendent replied yes. Ms. Lessaris noted two school board members voted no because costs were too high. She asked if officials feel they did what they could to address concerns. The Superintendent said yes, the most expensive project was not considered and they feel the project is necessary. Ms. Lessaris asked if the school corporation has issued pension bonds and the Superintendent replied no. Ms. Lessaris asked if officials planned to request approval for pension bonds and officials replied yes. Ms. Lessaris asked how much that request would be and officials said approximately \$15 million, but they are currently in negotiations.

Mr. Bronnert questioned the renovation versus addition costs for the project. The architect estimated 70% for the addition and 30% for the renovations. Mr. Bronnert felt the \$135 cost per square foot he calculated based on that information seems reasonable.

Ms. Johnson asked where growth was coming from and school officials said Cincinnati and Northern Kentucky.

Ms. Lessaris asked if officials expect to remain within the maximum rate approved by the school board. Mr. Maggos said the initial analysis estimates a rate of \$0.13 for the project and they feel that amount will be adequate.

Motion: Mr. Bronnert made a motion to approve a lease rental agreement with maximum annual payments of \$3,910,000 for 25 years. Ms. Johnson seconded the motion, which favorably carried 4-0.

South Knox School Corporation, Knox County: Officials requested approval of a pension bond for \$2.5 million. The term of the bonds is 10 years with a rate impact of \$0.0551. Officials will use the capital project fund for tax neutrality purposes.

The issue will eliminate the un-funded liability. The union agreed to language that eliminated the un-funded severance pay.

Present for the hearing was Brad Case, Superintendent and Tom Grabill and Nate Day, Educational Services.

Comments: The Superintendent spoke about the pension bond issue. The school corporation has less than 1,100 students and 70 certified staff and 50 non-certified staff. A plan has been negotiated with teachers and approved by the school board that eliminates the unfunded liability.

Officials eliminated separation pay and health insurance premiums with the new plan. The Rainy Day fund will be used in the amount of \$500,000 to assist with the buyout. Most of the Rainy Day funds were transferred from the Capital Projects fund. The tax neutrality will be achieved through the Capital Projects fund.

Ms. Lessaris asked if the Capital Projects fund was currently at the rate cap. The Superintendent replied no. Ms. Lessaris asked if officials intended to advertise/adopt at the maximum rate and then reduce for the neutrality from that amount. The Superintendent said they would see a slight increase to address needs at the high school, which is forty years old. Ms. Lessaris asked how far below the rate cap they are in the Capital Projects fund. School officials said they rate cap in 2003 was around \$0.25 and they had a certified tax rate of \$0.20.

Ms. Johnson asked how the liability was reduced from \$5.3 million to \$2.5 million. School officials said through the negotiations process they were able to reach an agreement for a lower amount.

Ms. Lessaris asked about the cost of health insurance, the individual pays \$1 and the school pays \$4,000. Officials replied that is for single coverage. The school corporation pays 85% for family coverage and they are currently working on addressing that issue.

Motion: Ms. Lessaris made a motion to approve a pension bond issue in the amount of \$1,760,000 for a term of ten years. Mr. Bronnert seconded the motion, which favorably carried 4-0.

Northeast Dubois County School Corporation, Dubois County: Officials requested approval of a pension bond issue for \$4,405,000. The term of the bonds is 20 years with a tax rate impact of \$0.2042. Officials will use the capital project fund for tax neutrality purposes. The issue will eliminate the un-funded liability.

Present for the hearing was Dan Balka, Superintendent; Jim Elizondo, City Securities and Jane Herndon, Ice Miller.

Comments: A school officials spoke about the pension bond issue. They began working on this issue over two years ago. The school corporation did not have enough bonding capacity until the law changed increasing the pension bonding capacity. Officials have negotiated a deal to eliminate most of the unfunded liability. They will still need to cover current retirees from the General fund. Officials are requesting a pension bond issue in the amount of \$4,405,000.

Mr. Bronnert asked if the capacity was computed on 100% true tax value and officials replied yes.

Ms. Lessaris asked if officials have a Rainy Day fund and they replied yes, it has a balance of \$520,000 mostly from the Capital Projects fund. Ms. Lessaris asked what was the purpose of the Rainy Day fund. School officials replied to supplement retiree payments or future project needs. Ms. Lessaris asked if the Capital Projects fund was at the maximum rate currently. School officials said it has been the last 5-7 years and facilities are in good shape. Ms. Lessaris asked how the reduction would be made between Capital Projects and Bus Replacement funds. School

officials said that was still being determined. A new contract is in place with bus drivers and expect to reduce the Transportation fund by \$0.02. Ms. Lessaris noted the effect of reducing the Transportation fund on the maximum levy.

Motion: Ms. Johnson made a motion to approve a pension bond issue in the amount of \$4,405,000. Mr. Bronnert seconded the motion, which favorably carried 4-0.

Richmond Community Schools, Wayne County: Officials requested approval of a pension bond for \$19 million. The term of the bonds is 15 years with a tax rate impact of \$0.1152. Officials will use the capital project fund and bus replacement fund for tax neutrality purposes.

The issue will eliminate the un-funded liability.

Present for the hearing was Dr. Phyllis Amick, Superintendent; Tony Zurwell, Director of Business Affairs; Lonnie Therber, Therber & Brock and Jim Shanahan and Thomas Peterson, Ice Miller.

Comments: The Superintendent spoke about the pension bond. They are requesting a bond issue in the amount of \$19 million to eliminate the unfunded liability. An actuarial study was completed in February 2004 and an agreement has been reached with the teachers' association.

Mr. Bronnert asked if the present value was reported incorrectly on the hearing information sheet. Mr. Zurwell said yes, it should be \$61 million. Mr. Bronnert asked if the \$19 million being requested covers the new contract and the Superintendent replied yes.

Ms. Lessaris asked if the Capital Projects fund was at the maximum rate and Mr. Zurwell replied yes. Ms. Lessaris asked about the reduction in Capital Projects versus the Bus Replacement fund. Mr. Zurwell said they would eliminate the replacement of one bus per year. They will review each year the amounts to be removed from each fund.

Motion: Ms. Lessaris made a motion to approve a pension bond issue in the amount of \$19 million. Mr. Bronnert seconded the motion, which favorably carried 4-0.

Muncie Community Schools, Delaware County: Officials requested approval of a pension bond issue for \$6 million. The term of the issue is 10.25 years with a tax rate impact of \$0.0398. Officials will use the transportation fund for neutrality purposes.

This issue does not eliminate the un-funded liability. The bond issue will be used for future severance benefits only, which will be greatly reduced by the proposed bond issue.

Present for the hearing was Mark Burkhart, Associate Superintendent; Colette Irwin-Knott and Matt Bubness, HJ Umbaugh and Jim Shanahan and Thomas Peterson, Ice Miller.

Comments: The Superintendent spoke about the pension bond issue. The actuarial results served as a wake-up call for school officials. Officials realized after the study they could not eliminate the entire liability, which consists of a severance payment based on years of service

and unused sick leave as well as medical benefits. The pension bond capacity would not cover the entire present value of the unfunded liability. There are currently no outstanding general obligations bonds in the school district. The issue of neutrality held them to an amount below their pension bonding capacity. The Neutrality resolution has been passed for 2005 and they will reduce the Transportation fund. Officials are comfortable reducing the Transportation fund for several reasons. The school corporation owns only one bus for extracurricular activities and they had reasonable bids with drivers on the last contract. They have three years remaining on those contracts, so costs will remain stable. The Muncie Transit System provides free service to students who board at their bus stops. This has reduced the transportation costs and the Transit System has asked for no payment for this service. The loss of state funding in the Transportation fund was \$51,000 and had little impact on the budget. Officials feel the request of \$6 million is a modest amount. The bond issue will cover all post employment benefits except health insurance. The old plan allowed teachers to retire between age 55 and 65 to pay what they would have paid if still employed. Officials offered the Rule of 85 at one time, but experienced few retirements. Officials discussed with teachers why more did not retire and it was due to the cost of health insurance. The next contract allowed medical benefits to retirees. The district employs a lot of Ball State graduates that only stay a few years, not to retirement. The last contract addressed health insurance costs by changing the flat rate the corporation pays to a percentage on the family and dependent coverage.

Ms. Bond asked how many students use the Muncie Transit service. The Superintendent said it was mostly used by secondary students and most of them drive to school. Officials were able to remove eight bus routes utilizing this service at a savings of \$13,000 per route per year.

Ms. Lessaris asked if school officials were aware that reducing the Transportation fund would have a permanent effect on the maximum levy. The Superintendent replied yes, but felt comfortable they could afford it. Ms. Lessaris asked if school officials have considered shifting insurance costs to employees. The Superintendent said it is tough to get the \$1 single health insurance coverage changed when contracts are negotiated.

Motion: Ms. Johnson made a motion to approve a pension bond issue in the amount of \$6 million. Mr. Bronnert seconded the motion, which favorably carried 4-0.

Monroe Central School Corporation, Randolph County: Officials requested approval of a pension bond issue for \$1,745,000. The term of the bonds is 20 years with a rate impact of \$0.0809. Officials will use the capital project fund for tax neutrality purposes.

This issue eliminates the un-funded liability. The School Corporation reached a buyout agreement.

Present for the hearing was Zach Rozelle, Superintendent; Diana Hernly, Treasurer; Tom Grabill and Nate Day, Educational Services and Thomas Peterson, Ice Miller.

Comments: The Superintendent spoke about the pension bond issue. Officials have reached an agreement with the teachers' association and the school board has approved it. The proposed bond issue will buy out the old plan.

Ms. Bond asked if the request was for a bond issue in the amount of \$1,745,000 and the Superintendent said yes.

Ms. Lessaris asked if the Capital Projects fund was at the maximum tax rate and school officials said no, it was at \$0.16. Ms. Lessaris asked if the Capital Projects fund would be increased to the maximum tax rate then reduced for neutrality purposes. The Treasurer replied they would see what projects could be cut and they intend to keep the levy at a level amount.

Mr. Bronnert asked if the contract takes care of the difference between the present value of the unfunded liability and the proposed bond issue and Mr. Grabill replied yes.

Motion: Mr. Bronnert made a motion to approve a pension bond issue in the amount of \$1,745,000. Ms. Johnson seconded the motion, which favorably carried 4-0.

Crown Point Community School Corporation, Lake County: Officials requested approval of a pension bond issue for \$12 million. The term of the issue is 15 years with a tax rate impact of \$0.0690. Officials will use the capital projects, transportation and bus replacement funds for tax neutrality purposes.

The bond issue eliminates the un-funded liability.

Present for the hearing was Kim Fox, Business Manager; Tom Grabill and Nate Day, Educational Services; Jim Shanahan and Thomas Peterson, Ice Miller.

Comments: The Business Manager spoke about the pension bond issue. The request is for \$12 million pension bond. A funded plan started two years ago for new hires. The plan approved will cover those hired before January 1, 2001.

Ms. Lessaris asked if the Capital Projects fund was at the maximum rate and the Business Manager replied yes. Ms. Lessaris was concerned about the possibility of using the Transportation fund to offset the pension debt. The Business Manager felt they would probably not use the Transportation fund, just Capital Projects and Bus Replacement. Ms. Lessaris asked if the Capital Projects fund was prepared to afford the reduction and the Business Manager replied yes. Ms. Lessaris asked if any attempts had been made to shift insurance costs to teachers. The Business Manager said teachers will begin paying 10% for single coverage and 20% for family coverage when the new contract takes effect in November 2005.

Motion: Ms. Johnson made a motion to approve a pension bond issue in the amount of \$12 million. Ms. Lessaris seconded the motion, which favorably carried 4-0.

Salem Community Schools, Washington County: Officials requested approval of a pension bond for \$2,080,000. The term of the bond is 15.25 years with a tax rate impact of \$0.0453. Officials will use the capital projects and bus replacement funds for tax neutrality purposes.

This issue eliminates the un-funded liability.

Present for the hearing was Stan Bippus, Superintendent; Kim Thurston, Assistant Superintendent; Colette Irwin-Knott and Matt Bubness, HJ Umbaugh and Thomas Peterson, Ice Miller.

Comments: The Superintendent spoke about the pension bond issue. The request is for a pension bond issue in the amount of \$2,080,000. The school corporation currently has 37 people who are eligible to retire. They estimate they would need \$650,000 to \$700,000 the first year to cover the first year. The estimated present value of the unfunded liability is over \$5 million. Officials expect to save over \$2 million with the buyout. There is a negotiated plan in place currently. School officials have worked to resolve this issue over the last eighteen months.

Ms. Lessaris asked if the Capital Projects fund was at the maximum rate. The Superintendent replied yes. Ms. Lessaris asked about the planned reductions in the Capital Projects and Bus Replacement funds. Mr. Thurston said he expects a reduction of \$0.05 to \$0.055 based on the 2003 pay 2004 assessed value. Mr. Thurston said there could be an increase since they have the inventory deduction that will take effect. Ms. Lessaris recommended not reducing the Transportation fund. Mr. Thurston said they were reducing Bus Replacement and not the Transportation fund. The Superintendent said they have replaced several buses over the last few years and are also looking at replacing buses every twelve years instead of ten. The facilities are all in good shape as well.

Mr. Bronnert asked about the amount listed on the hearing information sheet for reimbursements. Mr. Thurston said they are allowed to do this and would relieve the pressure on the general fund.

Motion: Ms. Johnson made a motion to approve a pension bond issue in the amount of \$2,080,000. Mr. Bronnert seconded the motion, which favorably carried 4-0.

New Albany Floyd County Consolidates School Corp., Floyd County: Officials requested approval of a pension bond issue for \$14 million. The term of the issue is 10 years with a tax rate impact of \$0.0544. Officials will use the capital projects fund and school bus replacement funds for tax neutrality purposes.

This issue will eliminate the un-funded liability for the severance program for all active employees by purchasing their service accruals. The bond issue will also substantially reduce the un-funded liability for our current retired severance obligations by setting aside funds for this specific purpose.

Present for the hearing was Brad Snyder, Assistant Superintendent and Jim Shanahan and Thomas Peterson, Ice Miller.

Comments: The Assistant Superintendent spoke about the pension bond issue. The actuarial study estimated the unfunded liability to be over \$43 million. As of July 1, 2000, new hires were placed in a funded retirement plan. This bond issue will cover those hired before July 1, 2000. The requested pension bond issue of \$14 million is to purchase unfunded accruals. School officials plan to reduce the Capital Projects fund and maybe the Bus Replacement some in the

future. They are planning a repayment term of 8 years. There are several energy savings contracts that will be paying off in the Capital Projects fund soon. They expect 2005 will be a tough year for the Capital Projects fund, but the energy savings contracts coming off will help.

Mr. Meno said a ten-year repayment is planned currently, but they would like to shorten it if possible.

Ms. Johnson questioned the difference between the bond issue amount and the estimated liability. The Assistant Superintendent said the \$29 million is from the General fund over the years.

Ms. Lessaris asked if the Capital Projects fund was at the maximum rate and the Assistant Superintendent said yes. Ms. Lessaris asked if the school prepared by doing building projects. The Assistant Superintendent said they have done several capital improvements through bonds and lease issues. He said the facilities are in good shape. Ms. Lessaris asked if school officials were concerned over the remaining \$29 million of unfunded liability. The Assistant Superintendent said they are concerned, but the \$14 million pension bond would create enough consequence.

Motion: Ms. Johnson made a motion to approve a pension bond issue in the amount of \$14 million. Mr. Bronnert seconded the motion, which favorably carried 4-0.

Goshen Community Schools, Elkhart County: Officials requested approval of a lease rental agreement with maximum annual rental payments of \$3,890,000 for 20 years. Total projects costs are \$45,210,000. Tax rate impact is \$0.27 with a new facility appeal of \$0.042. Common construction wage information was included and reflected one person that refused to sign and no one present representing the Governor of Indiana. There was no application for a petition and remonstrance.

Present for the hearing was Bruce Stahly, Superintendent; Stacey Hambaugh, Assistant Superintendent; Ralph Gerhart, Financial Advisor; Patrick Timpe, Architect; Randy Ruhl and Kelly Hill, City Securities; Jim Shanahan, Andy Hollenbeck and Thomas Peterson, Ice Miller; Michael Kruk, AFL-CIO Wage Setter; Pete Rimsans, Indiana State Building and Construction Trades Council and David Finnegan, Deputy Commissioner of the Indiana Department of Labor.

Project: The project includes the following: construction of a new elementary school, two to four classroom additions to three elementary schools (Model, Waterford, Chamberlain) an eight classroom addition to one elementary (Parkside), construction of a new Public Service Building (restrooms, two team meeting rooms and a concession area) on the high school site, and an addition of five classrooms and renovation/addition to the food service preparation and cafeteria area to Goshen Middle School.

Parkside, Model and Waterford will also have administrative office areas updated providing greater control of access to the building. In addition, these three buildings will have significant HVAC improvements with air conditioning added. These three elementary schools will also have their food service preparation and cafeteria areas expanded and updated.

This project allows each elementary school a separate art, music and computer rooms; adequate kindergarten space for full-day kindergarten; climate control; handicap accessibility; improved security; and adequate food preparation areas.

This project also separates sixth, seventh and eighth grades students in the Middle School. Lastly, the project allows for public restrooms for any hosted Goshen HS extracurricular contest, currently patrons and visitors use portable restrooms.

Costs

New Elementary School	\$14,752,649
Model Elementary School-addition	\$1,678,506
Model Elementary School –remodel	\$5,042,597
Waterford Elem. Sch.-addition	\$3,227,902
Waterford Elem. Sch.-remodel	\$4,687,542
Goshen MS- addition	\$2,692,836
Goshen MS- remodel	\$1,299,788
Public Svc. Bldg.- new constr.	\$747,554
Chamberlain Elem. Sch.-addition	\$1,050,483
Chamberlain Elem. Sch.-remodel	\$1,888,967
Parkside Elem. Sch.-Addition	\$4,351,346
Parkside Elem. Sch.-remodel	\$3,200,291

Comments: Ms. Bond noted there was an issue with the common construction wage that was adopted. She asked if there was anyone in the audience that wished to speak and three people said they did. She asked that they sign in.

The Superintendent spoke about the project. He said planning for this project began in 1995/1996 with a large project at the high school, middle school and merging two elementary schools. He began as Superintendent in April 1998 and discussions were still continuing on this project. The discussions began again in 2001 and a task force was formed to study enlarging two elementary schools. An architect was hired to study and found the cost to exceed \$30 million for that option. Another task force was formed in December 2002 to look at the existing grade structure. They held 13 meetings from January to June 2003 and findings were received by the school board in October 2003. The school board studied the findings through December 2003 and decided to go with the recommendation and added a concession area to the project. Officials looked at the option of a 5th-6th building, but the community would not accept that option. This project includes building a new elementary school and adding two to four classroom at four other elementary schools. The kitchen and eating areas will also be improved at these facilities. They experienced a growth of over 200 students this year making the new elementary necessary. The press was included in all meetings related to this project, including the task force meetings. The 1028 hearing was held March 8, 2004 and one spoke in favor of the project. There was no petition filed opposing this project. The community is supportive of this project even with the pay 2004 assessed value not known. Officials expect a tax rate impact of \$0.27 when both bonds are sold in 2007. School officials sold this project as a tax rate increase, not offsetting debt. They indicated at the 1028 hearing that the increase in operating costs would increase the tax rate

by \$0.04. The Superintendent said the common wage hearing was held on May 10, 2004 and the Governor's representative was not present. The scope of the project was discussed. The Department of Labor representative showed a list of numbers and admitted the data was 4 to 5 years old. Some of the individuals may not have lived in Elkhart County and the scale was not broken down by skilled/non-skilled. The ABC wages were ultimately approved as they felt that was the best data presented. The committee members did not feel the Department of Labor scale was a representative scale.

Ms. Lessaris asked if the school owned the land where the new elementary would be built. The Superintendent said officials were looking at 32 acres and a developer was donating 16 of those acres. The school would purchase the rest if the DLGF approves this project. Ms. Lessaris asked if this project would be done in phases. The Superintendent said yes, the financing as well as the construction as students would be moved due to significant renovations at Parkside Elementary School. Ms. Lessaris asked if officials have existing pension debt and the Superintendent said yes. Ms. Lessaris asked if it was new debt and the Superintendent said this was the second year. Ms. Lessaris asked about the tax rate on the pension debt and the Superintendent said it is \$0.0445.

Mr. Bronnert asked if they were overcapacity by 137 students in 2003 or 2004. The Superintendent said that was using the 2003 ADM, which is counted as 2004 information. Mr. Bronnert noted the additions add capacity of 404 students and growth of students is 326 students. The Superintendent said they are seeing a lot of move-ins to the district and they are in an industrialized area. Mr. Bronnert felt officials could add to existing facilities and cover the expected growth. The Superintendent said if full-day kindergarten is considered, they are already at capacity. The availability of land in the area is limited and the lack of space around current facilities restricts the possibility of additions.

Ms. Johnson asked about attachment B of the hearing information sheet. The Superintendent said it reflects the equipment budget for each school. Ms. Johnson questioned the \$30,000 listed for the kitchen. The Superintendent said that represented things like tables and chairs. The kitchen appliances are included in the cost of construction.

Mr. Bronnert asked if there were concerns of the cost of renovation versus new construction. The Superintendent said someone on the task force felt they could save 5% to 10% by renovating and subsequently ran for school board and lost.

Ms. Lessaris asked about the bond amounts. School officials said the first issue would be for \$33,835,000 and the second for \$11,375,000. Ms. Lessaris asked about what involved in phase I and phase II. The Superintendent said the first project would involve the two larger elementary schools with the addition of classrooms and air conditioning, kitchen work at the middle school and the new elementary school. The second part involves Parkside Elementary, Chamberlain Elementary School and Goshen Middle School.

Ms. Bond asked if the middle school was 6th-8th. The Superintendent said yes and officials are concerned about the future size of that middle school. They may need to look at options such as a second middle school or a 6th grade facility in the future. Ms. Bond asked about the current

grade configuration. The Superintendent said it is K-5, 6-8 and 9-12. Ms. Bond asked if that would be changing and the Superintendent replied no, that is what the community wants. Ms. Bond asked if bids would be taken twice and the Superintendent said yes.

Mike Kruk, State Federation of Labor, spoke about the common wage scale. They are opposed to the way the scale was adopted. He explained that the common wage must be set on any project over \$150,000. He said they have a manual on their website on how the common wage should be set. His concern is the determination of the mode. He then read an excerpt from their manual and it talked about reviewing county specific data. He said 1,800 names were presented, not 900 as stated by someone earlier. The people on the list do live and work in Elkhart County. He said these are construction employees who work where there is work. The wages presented were what these people earn. The list presented was printed in May 2000, but it is not cost effective to run the list for all. He objects to the wages submitted not showing how many people earned a particular wage. He asked Mr. Gaylord at the common wage meeting how many people they talked to or compared and he gave no response. The material presented by Mr. Kruk was broken down by trade and the number of people earning that wage.

Ms. Bond asked who Mr. Gaylord was and Mr. Kruk said he is the head of the Association of Building Contractors. He said that members of that association are not always construction-related businesses. Mr. Kruk is not sure who was surveyed by the ABC.

Mr. Pete Rimsans, Executive Director of the Indiana Building Trades Council, spoke about the common wage scale. He questioned the scale presented by the ABC and the supporting data. There are skilled tradesman working in Elkhart County and the ABC failed to list the number of companies/workers surveyed as required by the calculation. The scale should be listed on a per-craft basis as specific crafts are highly unionized. There is a great variance between different crafts and locations also affect union versus non-union. The ABC did present wage ranges. He is opposed to the ABC scale since they did not provide supporting documentation to confirm their scale. He said they are not following the modal calculation as is required. He felt that common construction wage laws were not followed, so the school has not followed proper procedures for the project to be approved.

Mr. David Finnegan, Deputy Commissioner of the Department of Labor, spoke about the common wage scale. This agency oversees the common construction wage law. He has served as a wage setter for 4 to 5 years and has attended several meetings in this area. The Department of Workforce Development show survey counties for wage information. They try to set a common wage. He asked that the control board table this issue until a common wage hearing could be held with someone from Workforce Development in attendance.

The Superintendent said two of the common wage committee members were from the community and made that wage decision. He said the committee had the choice of one or the other and were not aware that the modification of either was an option.

Mr. Finnegan said the Governor's representative would have noted that ability if they had been present.

Ms. Bond noted this is the first time people have appeared to discuss the common wage scale that was adopted for a project. There has been disagreement on prior scales and the control board in those cases acted on the project and the DLGF has studied the issue further.

Motion: Mr. Bronnert made a motion to approve a lease rental agreement with maximum annual payments of \$3,890,000 for a term of 20 years upon DLGF review of the common construction wage meeting minutes. Ms. Johnson seconded the motion, which favorably carried 4-0.

School City of Hammond, Lake County: Officials requested approval of a lease rental agreement with maximum annual rental payments of \$4 million for 25 years. Total project costs are \$52,450,000 with a tax rate impact of \$0.187. There was no application for a petition and remonstrance process. Common construction wage information was in order.

Present for the hearing was Walter Watkins, Superintendent; Dr. Steve Johns, Assistant Superintendent; Karen Wallisch, Administrative Staff; Roger Hulsey, Architect; Jim Merten, City Securities and Jim Shanahan and Thomas Peterson, Ice Miller.

Project: The project consists of new construction of Orchard Drive Elementary and demolition of the existing structure at a cost of \$28,856,606. Also, the project includes new construction and demolition of Harding Elementary School at a cost of \$25,966,817.

Comments: The Superintendent spoke about the project. A facilities study was commissioned from Indiana University in the spring of 2001. A committee was formed of parents, teachers, students and community members to review study. The committee presented findings to the school board in May 2001. The school board met seven times to allow for community input. The 1028 hearing was held in December 2001 to implement the committee plans. Officials proposed reducing the number of facilities by 5 to 7 buildings and no remonstrance was filed opposing the project. The school board adopted a resolution in February 2002 to begin phase I of the project, which included closing Spohn Middle School. The bonds for that project were sold later that year. The project also involved additions to several facilities. School officials closed two facilities, Wilson and Riley Elementary Schools, and built a new elementary to replace them. The new facility, Frank O'Bannon Elementary School will open later this year.

The Assistant Superintendent continued the discussion. This project is phase III and officials plan to replace three facilities with two new schools. Officials submitted a description of the project prepared by Fanning and Howey.

Ms. Bond asked if the same building would be built at both sites. The Assistant Superintendent said they would be virtually the same and are designed for a school within a school in the future. They cannot afford to maintain lots of smaller facilities.

Ms. Johnson asked why there was no cost per square foot listed on the hearing information sheet. Mr. Merten noted it was included in the information the Assistant Superintendent presented.

Ms. Bond asked why there was a delay in presenting this project to the control board from the 1028 hearing. The Assistant Superintendent said this project was presented to the public with all phases. They are on schedule with what was presented to the community. The community had concerns over the debt causing an increase in their tax rate, but Mr. Merten explained the financing and those concerns have ceased. Mr. Merten said the future high school project would have an affect on property taxes.

Ms. Bond asked if the high school is to be addressed in the next phase and the Assistant Superintendent said yes. Ms. Bond asked if that would be the final phase. The Assistant Superintendent said the middle school/high school project would be the last phase, so there are two more phases after this project. The Assistant Superintendent said the district has saved \$200,000 in the General fund and expects to save \$1.3 million with all three phases completed. Officials expect to save \$2.3 million when all five phases are completed. Ms. Bond asked how the school was operating financially. The Assistant Superintendent said they expect more cuts to be made to balance in 2006, but they are in good shape for 2004 and 2005 barring property tax shortfalls occurring in 2003 and 2004. Ms. Bond asked when the deadline was for the 2002 pay 2003 taxes. The Assistant Superintendent said the deadline is July 12, 2004 and bills were currently being mailed. Officials expect the remaining distribution of the pay 2003 funds to be received in September.

Ms. Johnson asked about the outstanding debt reported on the hearing information sheet. Mr. Merten said there was an error on the hearing information sheet, it was missing the last three 0's. Ms. Johnson asked if all assessed values listed were based on 100% and Mr. Merten said yes. Ms. Johnson asked if the huge jump in assessed value was possible. Mr. Merten said yes, the reason for the court case was that Lake County was underassessed.

Ms. Lessaris asked for background on these projects, as she was not at the control board meeting for the first phase. The Assistant Superintendent said they closed Spohn Middle School in June 2002. Officials just closed Wilson and Riley Elementary Schools. They will replace them with the new Frank O'Bannon Elementary School. This next phase closes two more facilities.

Ms. Johnson asked if the two facilities to be replaced would be demolished. The Assistant Superintendent said Wilson Elementary would be demolished since the new facility would be built at that site. School officials have received some interest in Riley Elementary from several parties, but nothing has been decided. Ms. Johnson asked about the status of Spohn Middle School. The Assistant Superintendent said it was sold to a Baptist Church and they are using it as a school.

Ms. Lessaris said that \$4.4 million was cut from the 2003 budget and asked if officials expected to come back to request more emergency relief. The Assistant Superintendent said they are looking for options to reduce health insurance costs with teachers. Officials are also looking at other insurance carriers. He said staff reductions were also possible. Ms. Lessaris asked if officials had a Rainy Day fund the Assistant Superintendent said no.

Ms. Bond asked where demolition costs were reported. Mr. Merten said they were listed separately on page 7. The Assistant Superintendent said it was included in the general

contractors amount, so they were included in the construction costs. Mr. Merten noted the costs came in over budget and the architect cut costs. The information on pages 6 and 8 are overstated and he would submit revised pages to the DLGF.

Ms. Lessaris asked if there was no study done for this project. The Assistant Superintendent said there was an enrollment study completed recently that shows a minor increase in enrollment, then declining to stable enrollment. Ms. Lessaris asked if officials were currently paying on pension debt and the Assistant Superintendent said yes in 2004. Ms. Lessaris asked about the tax rate for pension debt service and Mr. Merten replied the payments were \$625,000 to \$675,000. Ms. Lessaris estimated a tax rate of around \$.03. The Department of Education judgment of \$.11 will be coming off and this project will be around \$.18.

Ms. Bond asked about the new law that requires a school to petition the control board within 24 months of the 1028 hearing. Mr. Shanahan responded this legislation became effective after the 1028 hearing was held, so they were grandfathered in.

Mr. Bronnert said he calculated a cost per square foot of \$205 and the information listed \$183 and \$187. He felt this was high. The Assistant Superintendent replied that building costs were cheaper at a school district he worked for 20 miles away. Mr. Bronnert asked if there were any complaints from the public on the cost. The Assistant Superintendent said the only complaints were residents thinking the building project was the only cause for tax increases. Mr. Merten explained the shift of the burden from commercial and industrial to residential as a likely cause of increases.

Ms. Bond asked what the \$109,000,000 represented on the hearing information sheet. Mr. Merten said it was the three new elementary schools, a bond issue to do the high school cafeteria and another bond issue to add pods to the three new elementary schools.

Motion: Mr. Bronnert made a motion to approve a lease rental agreement with maximum annual payments of \$4,000,000 for a term of 25 years. Ms. Bond seconded the motion, which favorably carried 4-0.

Southeast Dubois County School Corp., Dubois County: Officials requested approval of a lease rental agreement with maximum annual rental payments of \$1,580,000 for 22 years. Total project costs are \$12,110,000 with \$1,806,000 from the capital project fund. Tax rate impact is \$0.065 with a new facility appeal of \$0.03 planned. There was an application for a petition and remonstrance process. The School won the vote with 2298 signatures for and 1,281 against the project. Common construction wage information was in order.

Present for the hearing was Robert Johnson, Superintendent; Donald Loepker, School Board President; Art Nordhoff, Attorney; Jim Elizondo, City Securities and Karl Sturbaum, Bose McKinney & Evans.

Project: The project consists of the construction of a new 63,000 square foot intermediate school and the construction of an addition to Pine Ridge Elementary School. The new intermediate school will include classroom, media center, cafeteria, stage, gym and support

spaces to house all of the corporation's fifth and sixth grade students. This will relieve capacity issues at other schools.

New Intermediate School	\$10,342,000
Pine Ridge Elementary School	\$1,504,000

Comments: The Superintendent spoke about the project. School officials have been involved in a long process of studying overcrowding in the district. The district currently has three elementary schools, one is a K-4 building and the other two are K-6. Officials plan to close one K-4 facility, convert the two K-6 facilities to K-4 configuration and build a new intermediate school to house 5th and 6th grades. The cause of the overcrowding problem is the increase in services. There have been special needs classes added, as well as computer labs. An art class is currently being held in a former locker room. A library is being closed half day to hold special needs classes. The intermediate school will be built in a central location. Officials looked at adding to current elementary schools, but there is no space to add on to one of them. The school board reviewed this issue for three years. A feasibility study was completed and a committee formed to find solutions to the overcrowding problem. The school board held seven public meetings with 100 to 350 people in attendance. The 1028 hearing was held November 10, 2003 where 60 patrons spoke on the project, 50 in favor and 10 opposed. A petition was filed on the last day of the 30-day remonstrance period and it was filed due to the location of the intermediate school. The results of the petition and remonstrance drive were 2,298 in favor and 1,281 opposed. There were three school board seats on the ballot in May and two current members ran and one new person and all of them supported the project. They won by a 60% to 40% margin. The tax rate impact of this project is \$0.065. The Capital Projects fund will be reduced and a debt issue is coming off.

Ms. Lessaris asked if the \$1.8 million from the Capital Projects fund was on hand. The Superintendent said most is available as \$1.2 million has been raised the last few years. The remaining portion will be raised in 2004. Ms. Lessaris asked if school officials went with the original site for the intermediate school in spite of the remonstrance. The Superintendent said yes since 65% signed in support of that site. Ms. Lessaris asked who would oversee the project. The Superintendent said the school board has decided to hire a clerk of the works and they have interviewed some firms. Ms. Lessaris asked if officials had established a Rainy Day fund. The Superintendent replied yes. Ms. Lessaris asked how much was in the Rainy Day fund and the Superintendent said \$35,000.

Ms. Bond asked about the school board vote at the June 14, 2004 lease hearing. School officials said it was 4 to 0 with one member on vacation. All other votes on this project have been 5 to 0.

Ms. Lessaris asked if school officials have incurred pension debt and the Superintendent said no, they are still deciding on that issue.

Ms. Johnson asked if enrollment was not increasing, just closing a facility. The Superintendent said they are out of space at all three elementary schools. Full-day kindergarten also cause of overcrowding concerns. The elementary to be closed only has seven classrooms.

Motion: Ms. Johnson made a motion to approve a lease rental agreement with maximum annual payments of \$1,580,000 for a term of 22 years. Ms. Lessaris seconded the motion, which favorably carried 4-0.

Delphi Community Schools, Carroll County: Officials requested approval of a bond issue for \$1.8 million. The term of the bonds is three years with a \$0.15 tax rate impact. Common construction wage information was in order. The bond fell below the threshold for a petition and remonstrance process.

Present for the hearing was Barry Emerson, School Attorney; Don Pennington, Architect; Lonnie Therber, Therber & Brock and Jeff Qualkinbush, Barnes & Thornburg.

Project: Camden Elementary School needs improvement beyond the scope of this project. Work being done addresses immediate needs. Total cost is \$496,100 for roofing, window replacement and fire alarm.

Hillcrest Elementary School is having work to address immediate needs. Total cost is \$349,800 for roofing, window replacement and a fire alarm.

Delphi Comm. Middle School project includes required maintenance to the parking lot and the replacement of the fire alarm system at a cost of \$143,000.

Delphi Comm. High School needs improvement in the areas of the parking lot, gym floor, bleachers and the fire alarm for a total cost of \$610,060.

The administration building project includes a fire alarm at a cost of \$13,200.

Comments: The general counsel spoke about the project. The proposed general obligation bond issue of \$1,800,000 is to repair two elementary school roofs, improve the HVAC of all facilities, update the fire alarm at the high school and physical education facility improvements. The Capital Projects fund is limited in the money it can raise and is not able to fund these projects. There were no objections at the public hearings or since. The repayment of the bond issue is three years and a tax rate impact of \$0.15 is expected. Officials want to pay this debt off to undertake more significant improvements in the near future.

Mr. Bronnert asked how old the roofs are that are being repaired. The architect replied that most are around 20 years old with no remaining warranty.

Ms. Lessaris asked if the Capital Projects fund was at the maximum rate and Mr. Therber said he thought so. Mr. Qualkinbush said it is and would not raise enough money to maintain and improve facilities. Mr. Therber said they will be coming back soon with a pension bond that will also effect the Capital Projects fund.

Ms. Bond asked if any of these projects would be undone in the proposed future project and the architect replied no.

Ms. Lessaris asked who would oversee the project. The architect responded the Facility Director would be there every day. Ms. Lessaris asked if they were a school employee and the architect said yes. Ms. Lessaris asked if the absent school board member was supportive of the bond issue and the general counsel replied yes. She had voted in favor of the project at a previous meeting.

Motion: Ms. Johnson made a motion to approve the general obligation bond issue in the amount of \$1.8 million. Mr. Bronnert seconded the motion, which favorably carried 4-0.

Union Township School Corporation, Porter County: Officials requested approval of a GO Bond for \$1,990,000. The term of the issue is 18 years with a rate impact of \$0.0260. The project fell below the threshold for a petition and remonstrance process. Common construction wage information was in order.

Present for the hearing was E. Ric Frataccia, Superintendent; Pam Buksar, Business Official; Peter Goerges, School Attorney; Jim Elizondo, City Securities and Karl Sturbaum, Bose McKinney & Evans.

Project: The Union Center Elementary existing cafeteria space will be renovated into classrooms, the administrative service area will be renovated to provide added building access security as well as provide space for conference areas and clinic area, a new cafeteria and kitchen will be constructed to seat 216 students, a new front entrance area will be built to provide an air lock, covered entry area for student pickup/drop-off, the parking area will be expanded and the existing parking lot will be resealed.

Union Center Elementary	\$1,183,919
Josh Simatovich Elementary	\$38,402
Union Twp. Middle School	\$85,943
Wheeler High School	\$601,836

Comments: The Superintendent spoke about the project. Officials are seeking approval for a project with eight parts. The total project costs are \$1.9 million and the tax rate impact of the project is \$0.026. The project includes building a new cafeteria seating area and partial kitchen remodel at Union Center Elementary School. The current cafeteria seating area will be converted into classrooms and the office area will be reconfigures to address safety issues. The project also includes a new roof at the high school as well as resurfacing/expanding parking areas at all facilities to separate bus/car traffic.

Ms. Bond asked who would oversee the project. The Superintendent said he and Skillman Corporation who oversee the project.

Ms. Lessaris asked about the school board vote at the June 9, 2004 year-round school hearing. The Superintendent said the school board liked the alternative calendar and how it allows some space to be captured. The school attorney pointed out this project is necessary regardless. The areas that are being improved mainly involve non-classroom space. Mr. Elizondo said the school board vote at the lease hearing was 5 to 0. Ms. Lessaris asked why the issue falls below \$2 million, the threshold for the petition and remonstrance process. The Superintendent said this is

a needs based project. The hard costs of \$1.8 million are for construction costs and the financial advisor determined the remaining soft costs. Ms. Lessaris asked if the school currently held pension debt and the Superintendent said yes. Ms. Lessaris asked if payments have begun on that debt and the Superintendent replied yes. Ms. Lessaris asked what fund was being reduced and the Superintendent said they utilize several funds.

Motion: Ms. Johnson made a motion to approve a general obligation bond issue in the amount of \$1,990,000. Mr. Bronnert seconded the motion, which favorably carried 4-0.

Adjournment: There was no further business to discuss and the meeting was adjourned.